



cc: Paul

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, UT 84145-0155

<http://www.blm.gov>



IN REPLY REFER TO:

UTU-0126943

(UT-923)

JUL 17 2006

CERTIFIED MAIL—Return Receipt Requested

Mr. Rich LiConti
American Gilsonite Company
29950 South Bonanza Highway
Bonanza, UT 84008

Re: Mining Plan Federal Gilsonite lease UTU- 0126943, WH #18 Mine

Dear Mr. LiConti:

BLM received your Mining Plan on December 2, 2005. BLM has reviewed your submission and has the following comments.

1. Proposed Mine Plan should be put to scale. The map is drawn in autocad therefore placing it to scale should not be an issue.
2. Proposed Mine Plan does not show a catch basin as stated on page 7 of the plan. This should also show the location of the gates (including the shaft gates).
3. Proposed Mine Plan should show the main road that will be the access to the site. The road should be named or should be designated as a county road if that is the case. If it is not named or if it is not a county road, then the access rout should be identified until it gets to a road that can be designated. This should also be addressed under "Access to the site." in your plan.
4. Mining Sequence- The mining sequence needs to be addressed. For clarification the mining sequence should state that and upper drift will be driven and then floors will be placed between the drifts. The slope will be taken all the way out to the escape shaft or lease line or some point. This will start on the east side of the mine. Then a discussion when mining will start on the west side. There should be a discussion on how long each slope is anticipated to take to mine.
5. Soil/subsoil - types needs to be annotated.
6. Operating Methods. The description for the "drift and slope" indicates a drift will be driven and then a winze will be sunk to the toe of the slope then the slope will be begun. The location of the winze should be identified. When starting would be located next to the shaft or there will be a pillar between the shaft and the slope. There is no discussion on the size of the slope and the size of the pillars between the slope. Figure 1 shows a 70 foot slope containing a slope and a 10 foot pillar. There needs to be a cross sectional map of this mining method. If you change to the "drift and pillar" BLM will need to be notified prior to the changing of the mining method.

RECEIVED

JUL 19 2006

DIV. OF OIL, GAS & MINING

7. Control Measures. On page 8 there is a discussion about fencing will be installed around all shafts to prevent unauthorized entry. There are no specifications on the fencing (height, type etc.). There also is no discussion on how the escapeways will be secured. These need to be in the plan.
8. Top soil removal. There is no discussion on this issue.
9. Barrier Pillar. The mining plan on Figure 1. shows the barrier pillar between the Federal Lease boundary and the ACG fee ground will be removed. BLM requires that this be specifically addressed in the plan so it can be approved.
10. Reclamation Plan. At the present time American Gilsonite has an approved Reclamation plan with the Utah Division of Oil, Gas and Mining. BLM has reviewed the plan and any deficiencies in the UDOGM plan and plan submitted to BLM for approval will be addressed.
 - a. The DOGM requires that 70% vegetation cover be reestablished prior to reclamation release and AGC has adopted this. BLM also requires that 70% of the species density also be established prior to reclamation release.
 - b. BLM agrees with the final design of the cap at the time of reclamation.
 - c. The DOGM plan states that all non-usable trash will be disposed at the company's E-21 landfill site. Then under disposal of trash it states that all waste materials will be pushed or dumped into the nearest open vein or buried near by the mine site. On page 8 the plan states that all solid waste is disposed of according to our Environmental Management program. The program does not define the disposition of the material. The plan should address the final disposition of the material. If trash is hauled to a permitted landfill then this should be stated.
 - d. In the DOGM plan it states that 6 to 12 inches of material will be put on the area to be reseeded. There is no discussion on how the top soil will be removed and how much of the top soil will be removed, piled and seeded. This is necessary in the plan. As seen below this shows a discrepancy between the BLM plan and the DOGM reclamation plan. This needs to be discussed in detail.
 - e. The BLM prefers that a final grading and seeding plan be submitted prior to final reclamation. The plan should address at this time a proposed seed mix (even though a final seed mix will be determined in the grading and seeding plan) and the plan should address the fact that Pure Live Seed (PLS) and Certified Utah Prohibited Noxious Weed Free seed mix will also be utilized. Below is the recommend seed mix for this site as per the Vernal Field Office.

4lbs. Stipa comata (needle and thread grass)

4lbs. Atriplex confertifolia (Shadscale saltbush)

4lbs. Artemisia tridentata Wyomingensis (Wyoming sagebrush)

All pounds are in pure live seed.

Reseeding may be required if first seeding is not successful.

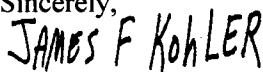
12lbs. p/acre.

BLM agrees with the fact that if the seed is broadcast then the amount should be doubled. BLM also requires that the seed tags be submitted to the AO after placing the seed.

- g. The DOGM plan calls for the re-contouring and ripping of the site (Item 4). The plan states under seed been preparation that the area would be disked, tilled, ripped or raked. BLM approves ripping of the site. This will ensure that there is enough ground loosed to provide for proper plant growth. At the present time this is not stated in the plan and it needs to be addressed.
 - h. Fertilization has been discussed in the DOGM plan. BLM agrees with this section, but the plan should state that any mulch that will be used must be with certified weed free hay.
 - i. There is no mention of toilet facilities. A chemical toilet is shown on the Proposed Mine Plan. If a chemical toilet is to be located on-site this should be mentioned in the plan.
11. Noxious Weeds. The plan calls for following the Utah State Department of Agriculture and the County extension plans. BLM requires that the BLM weed list also be consulted. This is required to be addressed in the plan.
12. Lighting/electricity. The Lessee should also address [if the facilities at the I-30 shaft and/or escapeway would be illuminated during the evening time]. There also needs to be annotation of power drops [from the existing power line across the lease] on Figure 1. Please indicate in the plan if the existing power line is under right of way to a utility [and if so, who it is and what the serial number is] or if the line is owned by AGC [as part of a prior UDOGM mine approval and, if so, what the plans are for removal of the line and poles as part of the reclamation plan].

BLM requests if there is a literature review or document referred to in the plan, there should be a bibliography listed. BLM cannot process your mine plan until these requirements are addressed.

If you require further information please contact Mr. Stan Perkes, (801) 539-4036.

Sincerely,


James F. Kohler
Chief, Solid Minerals Branch

cc: Vernal Field Office
Utah Division of Oil, Gas, and Mining (Attn. Doug Jensen)
Mine Files - UTU-0126943
Chron
SPerkes

WH #18mineplncomments 7-5-06sp-sa